



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

PREQUALIFICATION OF DESIGNEES
PURSUANT TO
M.G.L. CHAPTER 40T
"PUBLICLY-ASSISTED AFFORDABLE HOUSING"

Document Number: DHCD 2010 Housing

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RESPONSE DEADLINE: Not Applicable

1. BACKGROUND

On November 23, 2009, the Commonwealth enacted Senate Bill 2190, “An Act Preserving Publicly-Assisted Affordable Housing”, creating a new Chapter 40T of the Massachusetts General Laws (“MGL c.40T”). By its terms, the legislation was effective immediately. Therefore, even in advance of promulgating regulations, DHCD must proceed expeditiously to be prepared for addressing its obligations under MGL c.40T.

A copy of the legislation is available on the Department of Housing and Community Development (DHCD) website under “News and Updates” at www.mass.info/state.ma/housing.htm.

A key aspect of MGL c.40T is the authority granted to DHCD to make an offer and/or respond to a right of first refusal when the owner of a covered property intends to sell such property. The statute permits DHCD to name a designee to assume the agency’s rights and responsibilities in undertaking the purchase and ownership of covered properties pursuant to the processes established under the law (“Designee” or “Designees”).

2. PURPOSE OF THE PROCUREMENT

The purpose of this RFR is to create an interim pool of entities qualified to act as Designee in the event that DHCD desires to make an offer or respond to a right of refusal, all as set forth in MGL c.40T. The procurement will serve to prequalify Designees based upon the Prequalification Criteria set forth below in paragraph 4.B. When the opportunity to make an offer or exercise a right of first refusal for a particular property arises, DHCD will select a single Designee from the pool based upon the considerations set forth below in paragraph 4.B.

Until such time as DHCD issues a successor RFR for Designees, DHCD will continue to accept responses to this RFR.

3. SCOPE AND PERFORMANCE SPECIFICATIONS

A. Scope of Services: The authority and obligations of Designees are set forth in Ch. 40T.

B. Prequalification Criteria: In order to be prequalified as a Designee, respondents must meet the following standards:

- 1) Direct experience within the past 5 years in negotiating for and acquiring existing “publicly assisted housing” as defined in MGL c.40T.
- 2) Direct experience within the past 5 years in undertaking successful rehabilitation of occupied multi-family housing.
- 3) Demonstrated commitment to preserving affordable housing.
- 4) Expertise in state and federal assisted housing financing programs and successful experience in structuring complex real estate financing transactions.

- 5) Demonstrated capacity to productively engage with low and moderate income tenants of multi-family housing.
- 6) Sound financial position and demonstrated ability to attract necessary project debt and equity financing.

C. Site-specific Selection Criteria: In order to be selected to act as Designee for a particular purchase opportunity, Prequalified Designees must continue to meet all of the Prequalification Criteria above and also meet the following additional criteria at the time of selection:

- 1) Current organizational capacity to undertake the Scope of Services as well as the ability to provide property management and asset management for the subject property through existing third party relationships or internal capacity.
- 2) That the individual identified with primary oversight of the Scope on behalf of the Prequalified Designee has experience within the prior 5 years of successfully managing all due diligence aspects of acquiring existing “publicly assisted housing” as defined in MGL c.40T, including but not limited to appraisal, deal structuring, assembling and/or obtaining requisite financing and permits/approvals, and assessing capital needs.
- 3) If deemed by DHCD to be relevant to the subject property, that the assigned staff have direct experience within the prior 5 years in undertaking successful rehabilitation of occupied multi-family rental properties in Massachusetts.
- 4) If deemed by DHCD to be relevant to the subject property, direct experience within the past 5 years in undertaking successful rehabilitation of occupied multi-family housing, in the same region and/or municipality as the location of the subject property.
- 5) In good standing with the U.S. Department of Housing & Urban Development (HUD), DHCD, MassDevelopment, MassHousing, Massachusetts Housing Investment Corporation and Massachusetts Housing Partnership, and CEDAC .
- 6) Satisfactory history of fair housing compliance.

4. RESPONSE CONTENT

A. Prequalification Submission: Responses to this RFR shall include the items listed below:

- 1) Introductory information:
 - Respondent’s name, address, and telephone number
 - Name, telephone number and email address of contact person
 - If relevant to respondent, identify any limitations on the nature of the transactions that would be of interest (e.g.: a geographic service area; elderly housing vs. family housing; size of the project).

- 2) With respect to respondent's direct experience within the past 5 years in negotiating for and acquiring existing "publicly assisted housing" as defined in MGL c.40T, the following information on each such transaction:
 - Name (if applicable) and address of the property
 - Name of prior owner
 - Number of units
 - Name and address of prior senior lender
 - Name and address of current senior lender
 - Budget summary, including acquisition, rehabilitation, and soft costs and sources and amounts of project financing
 - If project used LIHTC, name and address of equity investor
- 3) With respect to respondent's direct experience within the past 5 years in undertaking successful rehabilitation of occupied multi-family housing, the following information on each such transaction, to the extent not included in response to 4.A.(1), above:
 - Name (if applicable) and address of the property
 - Name of prior owner
 - Number of units
 - Scope of work and budget
- 4) Brief narrative description of efforts that demonstrate commitment to preserving affordable housing.
- 5) Brief narrative description of work that demonstrates:
 - a) expertise in state and federal assisted housing financing programs, and
 - b) successful experience in structuring complex real estate financing transactions.
 - c) property management and asset management ability
- 6) Brief narrative description of work that demonstrates the capacity to productively engage with low and moderate income tenants of multi-family housing.
- 7) Audited financial statements for two most recent fiscal years.

B. Site-specific Selection: In order to be selected to act as Designee for a particular purchase opportunity, the following additional material will be submitted to DHCD at the time of such selection per the instructions of DHCD:

- 1) Brief narrative description that demonstrates the capacity to undertake the project through existing staff and/or to assemble a team in a timely manner, including letters of interest and resumes for third party consultants or contractors (e.g., property management firms, general contractors, A/E firm).
- 2) The resume of the individual identified with primary oversight of the Scope on behalf of the prequalified Designee.

- 3) If deemed by DHCD to be relevant to the subject property, the resumes of assigned staff.
- 4) Most recent audited financial statement if not submitted in prequalification submission and current balance sheet and profit and loss statement.

DHCD will consult with HUD, MassDevelopment, MassHousing, Massachusetts Housing Investment Corporation and Massachusetts Housing Partnership, and CEDAC to determine good standing with each of these organizations.

DHCD will consult with Massachusetts Commission Against Discrimination, the Office of the Attorney General and its Fair Housing Counsel to determine satisfactory fair housing status.

5. INSTRUCTIONS FOR SUBMISSION OF PREQUALIFICATION RESPONSES

Written responses from interested parties are required (personal delivery or mail).

Mailing Address: PROCUREMENT MANAGER
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
ATTENTION: RFR DHCD 2010 Housing

IMPORTANT NOTE: Parties wishing to hand-deliver their responses MUST have a valid photo ID to present to building security.

6. DEADLINE FOR RESPONSES

Until such time as DHCD issues a successor RFR for Designees, DHCD will continue to accept responses to this RFR.